



## County of Los Angeles **CHIEF EXECUTIVE OFFICE OPERATIONS CLUSTER**

SACHI A. HAMAI  
Interim Chief Executive Officer

**DATE:** May 7, 2015  
**TIME:** 1:00 p.m.  
**LOCATION:** Kenneth Hahn Hall of Administration, Room 830

### **AGENDA**

Members of the Public may address the Operations Cluster on any agenda item by submitting a written request prior to the meeting.  
Three (3) minutes are allowed for each item.

1. Call to order – Gevork Simdjian
- A) **Board Letter – CEO -ADJUSTMENTS TO EMPLOYEE CONTRIBUTION RATES FOR LACERA PEPRA PLANS (GENERAL MEMBER G AND SAFETY MEMBER C** - Maryanne Keehn or designee
- B) **Board Letter – DHS – AUTHORIZATION FOR WORK ORDER EXCEEDING \$300,000 UNDER THE ORACLE MSA FOR EPDR** - Mitchell Katz or designee
- C) **Board Letter – DHS - APPROVAL TO PURCHASE HARDWARE FOR EPDR PHASE II** - Mitchell Katz or designee
- D) **Board Letter - DHS - AUTHORIZATION TO PURCHASE VIRTUAL DESKTOP INFRASTRUCTURE (VDI) HARDWARE AND SOFTWARE**  
Mitchell Katz or designee
- E) **Board Letter – APPROVAL OF A SOLE SOURCE MASTER SERVICES AGREEMENT FOR PREMIER SUPPORT SERVICES WITH MICROSOFT CORPORATION** - CIO – Richard Sanchez or designee

### **NOTICE OF CLOSED SESSION**

**CS-1 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**  
(Subdivision (a) of Government Code section 54956.9)

Ariel Dacumos v. County of Los Angeles, et al. BC 456576  
Office of Affirmative Action Compliance

2. Public Comment
3. Adjournment

June 2, 2015

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**AUTHORIZE THE CHIEF INFORMATION OFFICER TO  
EXECUTE A WORK ORDER FOR CONSULTING SERVICES FOR THE  
ENTERPRISE PATIENT DATA REPOSITORY PROJECT  
(ALL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request approval to delegate authority to the Chief Information Officer to execute a Work Order with Oracle America, Inc., for consulting services to support the Enterprise Patient Data Repository Project for the Department of Health Services.

**JOINT RECOMMENDATION WITH THE CHIEF INFORMATION OFFICER THAT  
YOUR BOARD:**

Approve and delegate authority to the Chief Information Officer (CIO), at the request of the Director of Department of Health Services (DHS), to execute a Work Order for consulting services under the CIO's Master Services Agreement (MSA) with Oracle America, Inc (Oracle), effective upon execution for a period of one year, and any necessary subsequent Change Orders, for the Enterprise Patient Data Repository (EPDR) project at a maximum amount not to exceed \$2,204,319 as Work Order amounts that exceed \$300,000 require Board approval in accordance with the Oracle MSA guidelines.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

**Background**

DHS developed the EPDR to accommodate the significant changes resulting from both the new payment methodology under the current 1115 Waiver (Waiver), and the provisions of the Affordable Care Act (ACA) that impact DHS. New cost reporting requirements were imposed on DHS under the Waiver beginning January 1, 2014. Existing DHS data systems did not have the capability to comply with the new reporting

requirements. Implementation of the EPDR provides the detailed data necessary to allow the Department to claim and maximize available Waiver revenues.

The EPDR project, comprised of two phases, utilizes specialized software and professional services purchased through existing County agreements with software vendors obtained through fixed price deliverable Work Orders under the CIO's MSA with Oracle. Phase I of the EPDR project, completed in April 2015, produced a functional database that addresses the financial reporting requirements under the Waiver. Phase II will build on Phase I and will include clinical data, such as laboratory test results and pharmaceuticals dispensed, provider empanelment assignments, clinic scheduling information, and productivity metrics.

### Recommendation

Approval of the recommended action will enable DHS to obtain professional services on a time and materials basis, as outlined in attached Work Order Statement of Services, in order to provide the following critically needed specialized services: knowledge transfer required to maintain a stable EPDR; and expertise in the extraction, transformation, and loading (ETL) of additional data sources beyond EPDR Phases I and II.

The EPDR is a very large and complex system requiring multiple specialized skill sets in order to maintain end-user functionality and reliable availability. With entry level training acquired from EPDR Phase I implementation, advanced operational training is required to achieve a high-level of familiarity with the underlying software. The advanced training will bring us into an operational state of readiness, which capitalizes on the initial strategy through the design and development phases of the EPDR Phase I goals. These specialized skill sets directly correlate to the following software:

Oracle WebLogic Server 11g	Oracle Database 11g	Oracle Service-Oriented Architecture Suite 11g
Oracle Healthcare Analytics Data Integration	Oracle Healthcare Data Warehouse Foundation	Oracle Healthcare Adapter
JAVA Enterprise	Oracle Enterprise Manager v.12c	

These components require routine configuration in order to produce an efficient and reliable EPDR. The EPDR is currently receiving data from multiple disparate systems including State eligibility data. In general, the data has presented itself to be extremely complex in its' understanding. The situation of having both a complex application and complex disparate data sources exponentially increases the risk in successfully interpreting the data in an automated system. DHS requires assistance in establishing standard operating procedures that will enable county workforce to take responsibility of the EPDR's long-term stewardship.

During the term of the Work Order, Oracle will also provide specialized skill sets to assist DHS in the load process of Cactus Physician Credentialing and American Insurance Administrators (AIA) data sources. Specialized consulting will perform:

- Data Profiling
- Data extraction
- Data Transformation
- Loading Services in the Healthcare Data Interface Tables via Oracle Healthcare Adapter Data Integrator (OHADI)
- ETL creation to populate the DHS Healthcare Common Datamart.

Pursuant to the recommended Work Order, Oracle will provide professional services that will provide additional knowledge transfer to DHS staff. Additionally, this Work Order is recommended in light of resource shortfalls due to competing priorities and projects.

### **Implementation of Strategic Plan Goals**

The recommended action supports Goal 1, Operational Effectiveness of the County's Strategic Plan.

### **FISCAL IMPACT/FINANCING**

Based on the Oracle proposal, the cost for this work order is \$2,104,319. Payment will be on a time and materials basis as requested and approved by DHS. Funding for this Work Order will be identified within the Department's existing resources.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Oracle MSA approved by the Board enables departments to utilize Work Orders for consulting services, employee training, design, and expertise in the use and implementation of Oracle technology. As required by the Board's directive, Work Orders over \$300,000 to be issued under the County's MSA are submitted for Board approval.

Based on the recommended Work Order, Oracle will be responsible for providing professional services on an as-needed basis upon DHS request.

The MSA establishes the negotiated terms and conditions under which Oracle services will be acquired including: i) Work Order warranties with a warranty period on each deliverable for 90 days; ii) other protective warranties; and iii) limitation of liability equal to the fees paid under each individual Work Order. The limitation of liability does not apply to the MSA indemnification and intellectual property provisions.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of this recommendation will ensure that DHS can acquire the resources necessary to effectively support the EPDR to enable Waiver cost reporting and position the County to successfully implement the ACA.

Respectfully submitted,

MITCHELL H. KATZ, M.D.  
Director

RICHARD SANCHEZ  
Chief Information Officer

MHK:kh

Enclosures

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors

May 19, 2015

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**AUTHORIZE THE ACQUISITION OF HARDWARE FOR PHASE II  
OF THE ENTERPRISE PATIENT DATA REPOSITORY PROJECT FOR THE  
DEPARTMENT OF HEALTH SERVICES  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

CIO RECOMMENDATION: APPROVE (x)

**SUBJECT**

Authorize the acquisition of hardware to support expansion of the Department of Health Services Enterprise Patient Data Repository Project

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the Internal Services Division (ISD), as the County's Purchasing Agent, to proceed with the acquisition of additional hardware, related software, and maintenance services for the Department of Health Services (DHS) Enterprise Patient Data Repository (EPDR) project, with a total cost of approximately \$1,571,873.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

**Background**

DHS developed the EPDR to accommodate the significant changes resulting from both the new payment methodology under the current 1115 Waiver (Waiver), and the provisions of the Affordable Care Act (ACA) that impact DHS. New cost reporting requirements were imposed on DHS under the Waiver beginning January 1, 2014. Existing DHS data systems did not have the capability to comply with the new reporting requirements. Implementation of the EPDR provides the detailed data necessary to allow the Department to claim and maximize available Waiver revenues.

The EPDR project, comprised of two phases, utilizes specialized software purchased through existing County agreements with the software vendors and professional services obtained through Work Orders under the CIO MSA with Oracle. Phase I was completed in April 2015 and produced a functional database that addresses the financial reporting requirements under the Waiver. Phase II will build on Phase I, and includes clinical data, such as laboratory test results and pharmaceuticals dispensed, provider empanelment assignments, clinic scheduling information, and productivity metrics. Understanding that this project by its nature is a large and complex project, requiring a separate data-staging environment that is equal in size to the production environment is critical in ensuring that the EPDR is reliable and stable. The new stage environment will allow DHS to test changes and evaluate their respective behaviors prior to committing programming changes to the EPDR production environment. The addition of new data sources in Phase II as well as the addition of a new stage environment will necessitate the purchase of additional hardware and corresponding licenses. The hardware will consist of additional computing power that will support a new stage environment and a (25%) growth of the production environment as well as additional storage capacity to support data growth through phase II. The additional computing power and storage is in line with DHS' ability to scale up the existing computing environment, leveraging an initial technology investment under EPDR Phase I. Additional licenses to be purchased under existing county software agreement with respective vendor.

#### Recommendation

Approval of the recommendation will enable DHS to acquire the necessary hardware and software to store data submitted by both the ongoing Phase I and new Phase II data sources and house the clinical data mart. The hardware will consist of additional computing power that will support the new stage environment and a 25% growth of the production environment, as well as additional storage capacity to support data growth through Phase II. The additional computing power and storage is in line with DHS' ability to scale up the existing computing environment, leveraging the initial technology investment under EPDR Phase I.

#### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The recommended action supports Goal 1, Operational Effectiveness/Fiscal Sustainability, of the County's Strategic Plan.

**FISCAL IMPACT/FINANCING**

The total aggregate cost for the additional equipment components and a three-year equipment maintenance agreement is \$1,571,873. Funding is included in the DHS Health Services Administration (HSA) Fiscal Year 2014-15 final budget.

**FACTS AND PROVISIONS/LEGAL REQUIREMENT**

On October 16, 2001, the Board approved the classification categories for fixed assets and new requirements for major fixed asset (now referred to as capital asset) acquisitions requiring County departments to obtain Board approval to acquire or finance equipment with a unit cost of \$250,000 or greater prior to submitting their requisition to ISD.

**CONTRACTING PROCESS**

This is a commodity purchase under the statutory authority of the County's Purchasing Agent. This acquisition will be competitively bid by the County's Purchasing Agent in accordance with the standard County Purchasing Policies and Procedures established by ISD.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommendation will ensure that DHS is able to add new data sources, data marts, and reports to the EPDR in an effective and timely manner.

Respectfully submitted,

Reviewed by:

Mitchell Katz, M.D.  
Director

Richard Sanchez  
Chief Information Officer

MK:

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors  
Internal Services Department



June 2, 2015

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZE THE ACQUISITION OF VIRTUAL DESKTOP INFRASTRUCTURE  
HARDWARE AND SOFTWARE FOR THE DEPARTMENT OF HEALTH SERVICES  
DATA CENTERS  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X)**

**SUBJECT**

Authorize the acquisition of Virtual Desktop Infrastructure hardware and software for an additional 3,000 desktop users across the Department of Health Services.

**IT IS RECOMMENDED THAT THE BOARD:**

Authorize the Internal Services Department (ISD), as the County's Purchasing Agent, to proceed with the acquisition of Virtual Desktop Infrastructure (VDI) hardware, software, and professional services for all Department of Health Services (DHS) Data Centers, with a total cost of \$5,450,000.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of this action will allow for the acquisition of additional VDI hardware, software, and professional services for all six DHS Data Sites and includes support, configuration, installation, testing, three years of maintenance, and a three year warranty. On February 4, 2014, the Board approved the initial acquisition of VDI hardware and software for the first phase of this ongoing project, for 3,000 desktop users and continuation. This acquisition is the second phase in DHS' ongoing project to expand VDI to support an additional 3,000 desktop users. This effort is part of DHS' various systems consolidation strategies and also supports the Electronic Health Record (EHR) System known as the Online Real-Time Centralized Health Information Database (ORCHID). The VDI hardware and software is needed to: 1) centralize user and desktop management within each local DHS Data Center to provide user desktop access, while reducing the ongoing operating costs of managing, maintaining, and

servicing an additional 3,000 users and their desktops across all DHS facilities; 2) enable the use of lower cost zero-client terminals in the place of desktop personal computers for access by users; 3) provide enhanced security by centralizing administration of approved user desktop applications, user access permissions, and enabling single user sign on through a badge-based Radio Frequency Identification (RFID) System; and 4) as needs increase, provide for future growth as the hardware will include sufficient data and computing capacity to meet DHS' current needs.

In addition, replacing its current clinical information system – the QuadraMed Affinity suite – with ORCHID requires virtual hardware (desktop) upgrades to support ORCHID. As a result, some of the current hardware (legacy desktops) will be replaced with new virtual hardware. These efforts are part of DHS' goal of standardizing desktop images across DHS facilities.

### **Implementation of Strategic Plan Goals**

The recommended action will support Goal 1, Operational Effectiveness, of the County's Strategic Plan.

### **FISCAL IMPACT/FINANCING**

The total one-time estimated net cost of the hardware and software is \$5,450,000 for this phase 2 acquisition and includes professional services, three years maintenance, and a three year warranty. The details comprising the estimated total costs are shown in Attachment II.

Funding is included in DHS' Fiscal Year (FY) 2015-16 Recommended Budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On October 16, 2001, the Board approved the classification categories for fixed assets and new requirements for major fixed assets (now referred to as capital assets) purchases requiring County departments to obtain Board approval to purchase or finance equipment with a unit cost of \$250,000 or greater prior to submitting their requisition to ISD.

The County's Chief Information Officer recommends approval of this purchase and that Office's Analysis is attached (Attachment I).

### **CONTRACTING PROCESS**

This is a commodity purchase under the statutory authority of the County's Purchasing Agent. This acquisition will be competitively bid by the County's Purchasing Agent in accordance with County Purchasing Policies and Procedures established by ISD.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommendation will enable continued implementation of DHS' various systems consolidation strategies and also supports ORCHID.

Respectfully submitted,

Reviewed by:

Mitchell H. Katz, M.D.  
Director

Richard Sanchez  
Chief Information Officer

MHK:RS:jk

Enclosures (2)

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors  
Internal Services Department

<b>Description</b>	<b>One Time Cost</b>
Hardware Subtotal	\$ 2,739,320.22
Software Subtotal	\$ 617,319.02
Maintenance and Support	\$ 668,401.11
Services + Training	\$ 1,150,475.00
Sales Tax	\$ 274,485.42
<b><u>Grand Total</u></b>	<b><u>\$ 5,450,000.00</u></b>



**RICHARD SANCHEZ**  
CHIEF INFORMATION OFFICER

## **COUNTY OF LOS ANGELES**

### **CHIEF INFORMATION OFFICE**

Los Angeles World Trade Center  
350 South Figueroa Street, Suite 188  
Los Angeles, CA 90071

Telephone: (213) 253-5600  
Facsimile: (213) 633-4733

May 19, 2015

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hall of Administration  
500 West Temple Street  
Los Angeles, California

Dear Supervisors:

#### **REQUEST FOR APPROVAL OF A MASTER SERVICES AGREEMENT WITH MICROSOFT CORPORATION FOR PREMIER SUPPORT SERVICES (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

#### **SUBJECT**

The Chief Information Officer (CIO) is requesting Board approval of a sole source Master Services Agreement for Premier Support Services with Microsoft Corporation. Microsoft is the sole source provider for these services, which include internal Microsoft resources and technical support services. Microsoft, through Premier Support Services, can also provide insight into best practices and recommendations for realizing the most from the County's current investment in Microsoft technologies, as well as assistance in planning for new business demands.

#### **IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Chair of the Board to execute the attached proposed sole source Master Services Agreement (Agreement) with Microsoft Corporation (Microsoft) for Premier Support Services (PSS). This Agreement will be effective upon execution by your Board for a term of five (5) years through December 31, 2020. This Agreement also provides for two (2), one-year extensions, for a maximum contract term of seven (7) years.
2. The total annual amount authorized for expenditure under this Agreement shall not exceed \$3,000,000 for each calendar year. The total maximum contract sum shall not exceed \$21,000,000 for the entire seven (7) year term of the Agreement, if the two one-year extensions are exercised.
3. Delegate authority to the CIO, pursuant to the terms of the Agreement, to approve and execute Statements of Services (SOS) (the specific Work Orders and the necessary Change Orders to existing Work Orders) on behalf of County departments for Microsoft Premier Support Services.

4. Delegate authority to the CIO, pursuant to the terms of the Agreement, to add and delete Microsoft Premier Support Services Support Packages continuously throughout the Term of the Agreement,

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The PSS Agreement represents a strategic Agreement for the County. Approval by your Board will allow County departments to have access to technical resources that can only be obtained from Microsoft to assist with planning and ensuring the sustaining viability of services reliant on Microsoft technologies. Microsoft products serve an essential role in the effective operation of the County's computer systems. These services include Microsoft Cloud Services, Office 365 Services, SQL database services, document file/retrieval, network printing, Internet/Intranet websites, Internet web browsing, Active Directory services, and personal computer/server operating systems. The proposed Master Agreement provides a structure that streamlines and standardizes the acquisition process for PSS services across the County.

#### **Background**

County departments have been acquiring Microsoft PSS through the CIO's Microsoft Master Services Agreement (MSA) since 2008. The CIO's MSA expired 12/31/2013 and departments are now having to purchase PSS services through individually negotiated contracts approved by the County's Purchasing Agent. Because of the widespread use of Microsoft products throughout the County, the ability to have access to Microsoft's priority support is important in obtaining timely problem resolution and in maximizing product capabilities.

Fourteen (14) departments including the Executive Office of the Board (BOS), Chief Executive Office (CEO), Chief Information Office (CIO), Department of Health Services (DHS), Department of Mental Health (DMH), Department of Public Health (DMH), Public Social Services (DPSS), Department of Public Works (DPW), Fire Department (FD), Internal Services Department (ISD), Register Recorder (RR/CC), Superior Court (LASC), and the Sheriff's Department (Sheriff) have an identified a need for Microsoft Premier Support Services in Fiscal Years 2015-16 and beyond.

By approving this Agreement, your Board is establishing the process under which departments will acquired Microsoft PSS services. The County is not obligated to expend any funds until a SOS (Statement of Services) is executed. Each SOS will be governed by the terms and conditions set forth in the proposed Master Services Agreement. The maximum, annual expenditure under this Agreement will not exceed three million dollars (\$3,000,000). Funding will be obtained from departmental budgets of the County departments acquiring these services.

#### **Implementation of Strategic Plan Goals**

The services proposed within the Master Services Agreement support the County Strategic Plan Goals for County's Strategic Plan Goal One: Operational Effectiveness. As described above, these services allow departments to better plan, design, implement, manage, and support computer systems using existing and planned Microsoft technologies. As the County continues to deploy Microsoft products to support improvements in service delivery, the proposed Master Services Agreement will play an important role in allowing the departments to achieve the County's strategic goals.

### **FISCAL IMPACT/FINANCING**

Expenditures over the term of the Agreement and the expenditures in any given fiscal year will remain within each department's budgeted appropriation for such services. Funds for payment of work performed in future fiscal years will be subject to appropriation by your Board. Expenditures under this Agreement will vary from year to year based on the needs of County departments, not to exceed three million dollar (\$3,000,000) annually. The Administrative provisions of the Agreement require confirmation that funding is available before any individual SOS is executed.

### **FACTS AND PROVISIONAL/LEGAL REQUIREMENTS**

The attached Agreement has been approved as to form by County Counsel. Except as detailed below, the Agreement contains the Board's required contract provisions including those pertaining to compliance with the County's Child Support Program, consideration of GAIN participants for employment, and Jury Service requirements. This Agreement is not subject to the County's Living Wage Program. Microsoft is providing unique services and resources in support of their proprietary products. These specialized services and resources are not available from County personnel. Accordingly, this is not a Proposition A contract, and, it is exempt from the Living Wage provisions of County Code.

### **CONTRACTING PROCESS**

Microsoft is the sole provider for the type of support services sought. Microsoft Premier Support Services can draw from a wide range of internal Microsoft resources, including the actual software developers for the technologies/products upon which the County depends. Using their experience with other large Microsoft customers worldwide, PSS can also provide insight into best practices and recommendations for realizing the most from the County's current investment in Microsoft technologies and assistance in planning for new business demands.

The following are areas within the negotiated Agreement that differ from the County's preferred position:

1. **Limitation of Liability:** The negotiated Agreement limits Microsoft's liability for damages sustained by the County on each Statement of Service (work order) to \$400,000 or three times the amount paid on the applicable Statement(s) of Service, whichever is greater. This limitation of liability does not apply to damages caused by gross negligence or wilful misconduct caused by Microsoft and/or its affiliates, obligations under Section 23, Confidentiality, obligations of indemnification throughout the Master Services Agreement, and obligations of the parties arising from a breach of the other party's intellectual property rights. In addition, Microsoft has insisted on excluding all liability for consequential damages for such things as business interruption and the County's loss of revenues.
2. **Indemnification and Insurance:** Microsoft limits its indemnification of the County from claims by third parties to claims for damages to tangible real and personal property, bodily injury, and death for which it is legally liable to the third party. This does not provide the County with the ability to recover above the limit of liability for the loss of non-tangible assets, such as data loss, caused by Microsoft. Microsoft has required that it be self-insured and that its insurance be limited.

3. **Most Favored Public Entity:** The "Most Favored Public Entity" clause typically in County contracts was not accepted by Microsoft after much deliberation, and is therefore not in the proposed Agreement. However, Microsoft did agree that in the event its Public Sector hourly rates decrease, the lower rates will be extended to the County for all existing and subsequent SOSs.
4. **Cost of Living Adjustment (COLA):** Microsoft would not accept your Board's COLA policy and standard contract language. Accordingly, the Agreement provides that on the first and subsequent anniversary of the Effective Date, the fees for PSS will be increased by the percentage increase Microsoft has applied to its published Public Sector Rates for the then current Fiscal Year but not to exceed three percent. The increases shall be applied only to PSS SOSs executed after the applicable anniversary.
5. **Warranty and Acceptance Testing:** The Agreement provides an indefinite warranty period for PSS whereby Microsoft agrees to correct deficiencies in work performed for an unlimited period.
6. **Prohibition on Open Source Software:** Microsoft insisted that the County agree that it will not knowingly incorporate, modify, combine and/or distribute its (Microsoft) proprietary computer source code with any other non-Microsoft computer source code. The intent of this provision is to mitigate any situation which would subject Microsoft's code to the requirement that its source code be disclosed to third parties or licensed to third parties.

Although these terms and conditions were aggressively negotiated, the provisions as described above represent the best positions that could be reached by the parties involved. This Master Services Agreement is submitted to your Board with this office's belief that it represents a minimal risk position for the County. The nature of this Master Services Agreement is structured around a series of small Premier Support Statement of Services (Work Orders) as needed by County departments.

I recommend that your Board approve the identified exceptions and accept the terms and conditions that were negotiated, based upon the identified business need for this Agreement. The Master Services Agreement expressly includes Microsoft's acknowledgement that the County is not required to issue any SOSs under this Agreement.

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed Agreement will provide County departments with access to Microsoft Premier Support Services (PSS). These are unique technical services exclusively from Microsoft, for Microsoft technologies/products, which are used in mission and non-mission critical business systems throughout the County.

#### **CONCLUSION**

Your Board's approval of the proposed Microsoft Master Services Agreement will ensure that County departments have access to needed support for Microsoft technologies/products that can only be provided by Microsoft.



Honorable Board of Supervisors  
May 19, 2015  
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Upon your Board's approval, it is requested that the Executive Office, Board of Supervisors please return to my office three (3) executed copies of the Agreement.

Respectfully submitted,

RICHARD SANCHEZ  
Chief Information Officer

Enclosures ( )

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors